

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



April 6, 2004

ALL-COUNTY INFORMATION NOTICE NO. I-20-04

TO: ALL COUNTY WELFARE DIRECTORS  
FOOD STAMP COORDINATORS

SUBJECT: BULK STORAGE AUDIT

## REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

The Code of Federal Regulations, Title 7, Section 274.1(c) (1) and California Department of Social Services' (CDSS') Manual of Policies and Procedure (MPP), Section 63-601.272 (c) require that the 58 California counties annually audit their bulk storage food stamp coupons and food stamp coupon issuance procedures. These audits are to be performed by a unit of county government outside of the purview of the coupon issuance unit or by a private sector certified public accountant. Bulk storage coupon audit findings and reports are to be maintained by the County Welfare Director (CWD), and made readily available for review by federal and State agencies authorized to do so.

To ensure compliance with these regulations, all counties must complete and return the enclosed County Confirmation of Food Stamp Bulk Storage and Issuance Audit Survey. Completed surveys are to be emailed and mailed to Leanna Pace of my staff by April 26, 2004. Ms. Pace's mailing and email addresses are:

Ms. Leanna Pace, Associate Program Analyst  
California Department of Social Services  
Food Stamp Branch  
Field Operations Bureau  
744 P Street, MS 16-32  
Sacramento, CA 95814  
[Leanna.Pace@dss.ca.gov](mailto:Leanna.Pace@dss.ca.gov)

MPP, Sections 63-702.1.11 and .111, require that bulk storage food stamp coupon issuers, bulk storage points and food stamp claims collection points promptly provide CWDs with written acknowledgement and verification of the contents of each food stamp shipment. This regulation also specifies that these issuing agencies are responsible for the care, control, custody, and storage of food stamp coupons. These sections also require that issuing agencies authorize a minimum of two employees designated as food stamp coupon receiving agents. CWDs must also maintain this information and ensure that it is readily available for review by federal and state agencies.

Also, MPP, Section 63-702.11.112, states that CWDs must complete a United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) **Form 33** when a designated food stamp coupon receiving agent changes or when the storage location of food stamp coupons changes. Completed FNS 33s are also to be mailed to Ms. Pace of my staff at the address listed above.

Counties are required to specify the closure of all FS issuance facilities and FS storage facilities. The process and requirements are:

1. The CWD shall notify CDSS of its planned closure.
2. The CWD will conduct a physical count of coupons on hand.
3. The CWD then will disposed of them in the method described in MPP 63-601.262.
4. The CWD will conduct a close-out audit within 30 days of the disposal date.
5. The final **FNS-250** must be transmitted to FNS, and a copy of it shall be forwarded to:

James Cortes, Manager  
CDSS  
Fund Accounting and Reporting Bureau  
744 P Street, Room 1396, MS 13-72  
Sacramento, California 95814  
(916) 657-3390

Thank you for your assistance and timeliness in completing this survey. If you have questions, please call Ms. Pace at (916) 654-3366.

Sincerely,

**Original signed by**  
RICHTON YEE, Chief  
Food Stamp Branch

Attachments

C: Ms. Pat Cruise, FNS

**Food Stamp Program  
County Confirmation of Food Stamp Bulk Storage and Issuance Audits  
Federal Fiscal Year 2003**

Submit by **April 26, 2004:**

California Department of Social Services  
Field Operations Bureau  
Food Stamp Branch  
744 P Street, MS 16-32  
FAX (916) 657-1806, Attn: Leanna Pace  
**Leanna.Pace@dss.ca.gov**

<b>County:</b>	
<b>County Contact:</b> Name, Title, Telephone Number, and E-mail	
Date of last Food Stamp Issuance and Bulk Storage Audit:	
Period of time covered by Audit:	
Name and address of organization/firm/county department that performed the Audit:	
A description of any findings disclosed by the Audit: (Provide attachments if needed.)	
County actions to resolve these deficiencies: (Provide attachments if needed.)	

## Food Stamp Program

### County Confirmation of Food Stamp Bulk Storage and Issuance Audits

***Federal Fiscal Year 2003***

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Does your county disburse benefits via an EBT System? If so, when did the conversion take place?	
Did your county completed an FNS 33 and the FNS250 to report the final disbursement of bulk storage food stamp coupons, and forward them to FNS and CDSS?	
If yes, please provide their name, title, address, telephone number, and email address	
Does CITICORP maintain an inventory of food stamp coupons for your county?  If so, please provide the name, agency, address, telephone number and email address of your County's CITICORP contact person	

I certify that the above information is true and correct.

Signature\_\_\_\_\_Date\_\_\_\_\_  
(Chief Fiscal Officer, County Welfare Department)

03/26/04

63-702	ISSUANCE AGENCY AND BULK STORAGE POINT RESPONSIBILITIES	63-702
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.1 Receipt and Verification of Coupon Shipments

- .11 Coupon issuers, bulk storage points and claims collection points shall promptly verify and acknowledge, in writing, the contents of each coupon shipment or coupon transfer delivered to them and shall be responsible for the custody, care, control, and storage of coupons.

.111 Receipt of Coupons

- (a) Shipments shall be verified and receipted only by those persons so authorized on the FNS-260 or the FNS-33.
- (b) Issuing agencies shall authorize at least two employees as receiving agents to receipt for shipment of coupon books. If an armored car delivery of coupons arrives after normal business hours and an authorized person is not present, it shall not be accepted.

.112 Change in Designated Receiving Agents

The CWD shall submit the FNS-33 to CDSS whenever the name of the person authorized to receive shipments is changed or when the location where books are to be sent is changed.

.12 Shipment Verification

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**HANDBOOK BEGINS HERE**

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- .121 The FNS-261 will be received just prior to, or approximately at the same time as, the shipment of food coupons. This form is a notice that food coupons previously requisitioned can be expected shortly.

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**HANDBOOK ENDS HERE**

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- .122 The shipping point or receiving agent shall accept coupon shipments as follows:

- (a) Person(s) authorized to accept coupons shall verify that the number and type of each denomination being delivered agrees with those listed on the registered mail receipt and the FNS-261 before accepting them.